

RESOLUTION NO. 2005-265

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER
OR HIS DESIGNEE TO EXECUTE A PROJECT DEVELOPMENT AGREEMENT AT
25 MEGAWATT LEVEL TO FUND DUE DILIGENCE ASSESSMENTS ASSOCIATED
WITH THE RESOURCE 500 GENERATION PROJECT

WHEREAS, the Central Valley Project Corporation (CVP Corp) is a non-profit corporation, incorporated in 2003, primarily to support programs and projects that benefit CVP customers and maximize the value of the Central Valley Project power contracts. The CVP board currently consists of representatives from NCPA, SMUD, and the city of Redding; and

WHEREAS, CVP Corp is in final negotiations to purchase a 500 MW gas fired, combined cycle power plant located in Northern California, which has been built with the latest technology and was constructed only five years ago; and

WHEREAS, this plant has an excellent heat rate (approximately 7,000), which is the primary measure of plant efficiency, and preliminary due diligence indicates that the expected price of power from the plant will be very competitive with other options available in today's energy market in California; and

WHEREAS, CVP Corp is offering to public power entities an opportunity to participate in the ownership of the plant through firm purchase power agreements and has provided summary materials to interested parties to determine if this project would be an appropriate addition to their resource portfolios; and

WHEREAS, upon reviewing the materials and consideration of the current power needs of Lodi Electric, staff has concluded that this proposed project fits well into its electric resource portfolio, as this plant will provide diversity of location and its efficiency will provide the City of Lodi with a resource that is more economic than building a substantially smaller plant locally or contracting with for-profit marketers for a similar type product.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager or his designee to execute a Project Development Agreement at 25 megawatt level to fund due diligence assessments associated with the Resource 500 generation project in an amount not to exceed \$102,575.

Dated: December 21, 2005

I hereby certify that Resolution No. 2005-265 was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 21, 2005, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hansen, Johnson, Mounce,
and Mayor Hitchcock

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


SUSAN J. BLACKSTON
City Clerk